

## Message Text

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ACTION EB-07

INFO OCT-01 ISO-00 AF-06 ARA-06 EA-06 EUR-12 NEA-10 SSO-00

NSCE-00 INRE-00 USIE-00 AGR-05 OIC-02 IO-10 PA-01

PRS-01 AID-05 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00

TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01

OMB-01 STR-04 CEA-01 NSC-05 L-03 H-02 TAR-01 /112 W

----- 112910

O R 091606Z JUL 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 2716

INFO AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

AMEMBASSY BOGOTA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY GUATEMALA

AMEMBASSY MEXICO

AMEMBASSY MANAGUA

AMEMBASSY ABIDJAN

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E.O. 11652: N/A

TAGS: ETRD, EAGR, OCON

SUBJECT: COFFEE NEGOTIATIONS: PRODUCER REACTIONS TO  
CONSUMER SUGGESTIONS

REF: LONDON 10459

1. CONSUMERS FORMALLY SUBMITTED PAPER SUGGESTING  
POSSIBLE MECHANISMS FOR NEW ICA (TEXT REFTEL) AT MEETING  
OF WORKING GROUP ON NEGOTIATION MORNING OF JULY 9.  
ADVANCE COPY OF CONSUMER PAPER PASSED BRAZILIAN DELEGA-  
TION PREVIOUS EVENING. CONSUMER SPOKESMAN (MUSGROVE OF  
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CANADA) INTRODUCED PAPER BY STRESSING THAT CONSUMERS

RECOGNIZED ALLOCATION OF MARKET SHARES IS PRIMARILY A MATTER FOR PRODUCERS TO DECIDE AMONG THEMSELVES AND THAT IDEAS PUT FORTH IN SECTION I OF PAPER WERE NOT RPT NOT A CONSUMER ATTEMPT TO DICTATE DIVISION OF BASIC QUOTAS.

2. GUATEMALA DELEGATE (MONTES) LED OFF DISCUSSION BY THANKING CONSUMERS FOR THEIR EFFORT WHICH HE TERMED A "STEP FORWARD". TO GENERAL SURPRISE, BRAZILIAN REP (CALAZANS) THEN TOOK FLOOR AND PROCEEDED TO ATTACK CONSUMER PAPER IN EMOTIONAL TERMS AS "SUPERFICIAL, HOSTILE TOWARD BRAZIL, AND MOVEMENT BACKWARD."

3. CALAZANS OPENED HIS PREPARED STATEMENT BY SAYING THAT AFTER SIX MONTHS OF INTENSIVE TALKS AND ONLY 48 HOURS BEFORE END OF MEETING, CONSUMERS HAD CHOSEN TO PUT FORWARD A FORMULA FOR MARKET ALLOCATION WHICH, BY SUGGESTING INCLUSION OF "FREE MARKET" YEARS (1973-74) IN REFERENCE PERIOD, REOPENED QUESTION ON WHICH PRODUCERS HAD MADE GREAT PROGRESS IN RECENT DAYS. HE INDICATED CONCERN THAT CONSUMER SUGGESTION WOULD ENCOURAGE SOME PRODUCERS TO RENEW INTRANSIGENCE ON MARKET SHARE ISSUE AND MAKE IT VIRTUALLY IMPOSSIBLE TO REACH FINAL AGREEMENT BEFORE MEETING CONCLUDED. HE SAID THERE NO POINT TO FURTHER PRODUCER EFFORTS TO RESOLVE ISSUE AMONG THEM-SELVES.

4. CALAZANS THEN LAUNCHED POINT-BY-POINT ATTACK ON CONSUMER PAPER ALLEGING ITS OBVIOUS PURPOSE IS TO DEPRESS MARKET PRICES AND KEEP THEM LOW FOR NEXT SEVERAL YEARS. HE CONCLUDED BY STATING PAPER DEMONSTRATES CONSUMER GOVERNMENTS NOT WILLING TO TRANSLATE THEIR POLITICAL STATEMENTS INTO CONCRETE TERMS.

5. GUATEMALAN REP REPEATED HIS GENERAL COMMENTS AND SUGGESTED WG PROCEED TO DISCUSS PAPER HEADING BY HEADING. UGANDAN REP (MUSOKE) WHO NORMALLY MOST CRITICAL OF CONSUMERS, INTERVENED TO NOTE PRODUCERS HAD BEEN TALKING FOR NEARLY THREE WEEKS WITHOUT ANY AGREEMENT. HE CALLED CONSUMER PAPER A "GOOD DOCUMENT TO START NEGOTIATIONS ON." OAMCAF REP (N'DIA) COMMENTED THAT CONSUMERS DESERVE LIMITED OFFICIAL USE

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OMB-01 STR-04 CEA-01 NSC-05 L-03 H-02 TAR-01 /112 W

----- 112856

O R 091606Z JUL 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 2717

INFO AMEMBASSY BRASILIA

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THANKS FOR GOOD EFFORT AND THAT PAPER DESERVES FURTHER  
CONSIDERATION AND DISCUSSION TO CLOSE GAPS AND REACH  
AGREEMENT. (COLOMBIA AND OTHER LA DELS SAT IN UNCOM-  
FORTABLE SILENCE BUT INDICATED AFTER MEETING THEY HAD NO  
MAJOR PROBLEMS WITH CONSUMER PAPER AS BASIS FOR FURTHER  
DISCUSSIONS.)

6. CANADIAN DEL CONCEDED THAT CONSUMER PAPER MIGHT BE  
SUPERFICIAL AND LATE, BUT NOTED IT WAS A RESPONSE TO  
REQUEST FROM PRODUCERS (BRAZIL) FOR CONSUMERS TO SET OUT  
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VIEWS. HE AGREED IT REFLECTED ONLY CONSUMER CONCERNS BUT NOTED CONSUMERS HAD INVITED PRODUCERS TO PRODUCE SIMILAR PAPER SETTING FORTH THEIR OWN INTERESTS. HE ALSO DISPUTED BRAZILIAN CONTENTION THAT CONSUMERS ONLY WANT REDUCED PRICES BUT ADDED CONSUMERS DO HAVE A LEGITIMATE INTEREST IN PROTECTING SELVES ON UP SIDE. U.S.DEL REFRAINED FROM INTERVENING IN ORDER TO AVOID CONTRIBUTING TO USELESS POLEMIC DEBATE.

7. MORNING MEETING CONCLUDED WITH AGREEMENT TO RESUME DISCUSSION OF CONSUMER PAPER IN AFTERNOON. WE UNDERSTAND CALAZANS RELEASED TEXT OF HIS REMARKS TO PRESS. ACCORDINGLY, CONSUMERS ALSO GAVE PRESS COPIES OF THEIR PAPER.

RICHARDSON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COFFEE, CONSUMPTION, PRODUCTION, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MartinML  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LONDON10507  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750236-1063  
**From:** LONDON  
**Handling Restrictions:** n/a  
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**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750773/aaaacnic.tel  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 LONDON 10459  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MartinML  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 24 JUN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <24 JUN 2003 by BoyleJA>; APPROVED <05 NOV 2003 by MartinML>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
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06 JUL 2006

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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COFFEE NEGOTIATIONS: PRODUCER REACTIONS TO CONSUMER SUGGESTIONS  
**TAGS:** ETRD, EAGR, OCON  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006